Government of Saskatchewan

Annual Report 1982-83

Saskatchewan Legislative Assembly Members Superannuation Fund

84- 3055 /

Regina, Saskatchewan
June 30, 1983

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Members of the Legislative Assembly Superannuation Fund for the year ending March 31, 1983.

I have the honour to be, Sir,

Your Obedient Servant

Eric Berntson
Minister in Charge

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Background

The Members of the Legislative Assembly Superannuation Fund was created to provide a pension to individuals who are elected and provide service to the Province of Saskatchewan as Members of the Legislative Assembly.

The Fund is comprised of two pension plans; a unit benefit (formula) plan for members who were first elected prior to April 1, 1979, and a money accumulation plan for those members first elected on or after April 1, 1979.

Members of the unit benefit plan, may, at any time prior to the expiration of the thirtieth day after the last return of the writ of election in the general election following the date on which he ceased to be a member, elect to transfer to the money accumulation plan.

Operation of the Fund

The Fund is credited with contributions and interest paid by members and former members, interest or any other revenue accruing on investments in the Fund, and such amounts paid by the Minister of Finance as required by the Members of the Legislative Assembly Superannuation Act. Payments are made out of the Fund for refunds of contributions where a former member is eligible, pensions, annuities, and supplementary allowances. As a matter of course, the acquisition and disposition of the various assets of the Fund is acomplished through the payment out of and receipt of monies into the Fund.

Contributions

Members are required to contribute 9% of their indemnity, sessional and expense allowances to the Fund, as well as 9% of earnings as a member with additional responsibilities, where applicable. The Minister of Finance matches the member's contributions and is required by the Act to make certain additional contributions to the Fund.

Contributions by members for the year ended March 31, 1983 totaled $235,592.

Pensions

The fund paid pensions to 101 former members and spouses of former members throughout the year. Pensions to most of these individuals were based on a formula which included years of service and an average salary figure for some portion of that service. It may also have included a supplementary allowance paid in accordance with the Act. One individual received a partial year's pension from the money accumulation plan. Pensions for the year totaled $1,099,212.

Investments

Investing of moneys in the Fund is done by Saskatchewan Finance, Investment and Financial Services Branch at no cost to the Fund. The investment policy directs that the assets of the Fund shall be in long-term, high-quality investments yielding the best possible return with minimum risk. The value of the investments (at cost) at March 31, 1983 was $2,285,379.

Administration

In accordance with subsection 3 (6) of the Act, the necessary expenses of administering the Fund shall be a charge upon and paid out of the consolidated fund, and are therefore not charged to the Fund.

Administration of the plan is presently assigned to the Public Employees Benefits Agency with no significant increase in the costs to that unit.

Members of the Legislative Assembly Superannuation Fund

Financial Statements

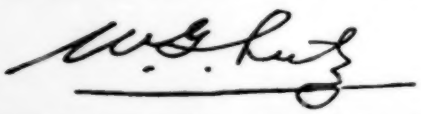
for the Year Ended March 31, 1983

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Members of the Legislative Assembly Superannuation Fund as at March 31, 1983 and the statement of revenue, expenditure and fund equity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
May 30, 1983

W. G. Lutz, F.C.A.,
Provincial Auditor.

Members of the Legislative Assembly
Superannuation Fund
Balance Sheet
March 31

	1983	1982
Assets		
Cash	$ 30,964	$ —
Members' contribution receivable	11,587	43,138
Minister of Finance contributions receivable	12,313	42,400
Accrued interest receivable	95,017	84,486
Investments (Note 1) (Schedule 1)		
(Market value 1983 — $2,354,610; 1982 — $1,724,508)	2,285,379	2,131,560
	$ 2,435,260	$ 2,301,584
Liabilities and Fund Equity		
Liabilities		
Bank overdraft	$ —	$ 26,251
Fund equity		
Unit benefit plan (Statement 2, Note 4)	1,703,988	1,911,157
Money purchase plan (Statement 2, Note 4)	731,272	364,176
	2,435,260	2,275,333
	$ 2,435,260	$ 2,301,584

(See accompanying notes)

Statement 2

Members of the Legislative Assembly
Superannuation Fund
Statement of Revenue, Expenditure and Fund Equity
Year Ended March 31

	1983			1982
	Unit Benefit Plan	Money Purchase Plan	Total	Total
Revenue				
Contributions by Members of the Legislative Assembly	$ 124,435	$ 111,157	$ 235,592	$ 265,707
Contributions by the Minister of Finance	621,537	128,125	749,662	759,200
Interest	223,209	58,993	282,202	261,784
Loss on investment disposals	(8,317)	—	(8,317)	—
	960,864	298,275	1,259,139	1,286,691
Expenditure				
Annual allowance	1,098,907	305	1,099,212	688,775
Excess of revenue over expenditure	(138,043)	297,970	159,927	597,916
Fund equity, beginning of year	1,911,157	364,176	2,275,333	1,677,417
Fund equity, before transfer	1,773,114	662,146	2,435,260	2,275,333
Members transfer from UBP to MPP	(69,126)	69,126	—	—
Fund equity, end of year	$ 1,703,988	$ 731,272	$ 2,435,260	$ 2,275,333

(See accompanying notes)

Members of the Legislative Assembly Superannuation Fund

Notes to Financial Statements March 31, 1983

1. Accounting Policies

   a) Investments

   Investments of the fund are recorded at cost. The difference between cost and par value is not recorded in the accounts but is reflected in the year of disposition in the determination of gains or losses on investment sales.

   b) Administration Costs

   In accordance with Section 3(6) of The Members of the Legislative Assembly Superannuation Act, 1979 the necessary expenses of administering the fund are paid out of the consolidated fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.

2. Statutory Reporting Requirements

   In accordance with Section 42 of The Members of the Legislative Assembly Superannuation Act the following information is provided:

	1983	1982
Contributors to the Fund		
Unit Benefit Plan	51	71
Money Purchase Plan	52	17

   During the year 101 superannuates received an allowance.

3. Actuarial Valuation Unit Benefit Plan

   The last actuarial valuation of the fund as at July 1, 1975 determined that there was a deficit of $3,392,850 as at that date. This deficit was calculated as the excess by which the aggregate of the present value of benefits of retired members, former members with deferred pensions and of the expected benefits of present active contributors exceeds the value of the existing assets and the present value of the expected regular contributions by and on behalf of the active contributors.

   New legislation was assented to in 1979 which provides for the Minister of Finance to pay to the Fund an amount equal to contributions of the members, an annual payment of $500,000 and any further amounts that may be appropriated by the Legislature for the purpose of the Act.

4. Money Purchase Plan

   New legislation was assented to in 1979 which continued the "unit benefit" superannuation plan (Part II of the Act) and established a new "money purchase plan" (Part III of the Act) for the members. Members elected after April 1, 1979 will contribute to the "money purchase plan". New legislation was assented to in 1980 which permits members defeated in a general election the option to transfer to the "money purchase plan" before the expiration of the thirtieth day after the last return to the writ of election. During the year ended March 31, 1983 two members elected to transfer to the "money purchase plan".

Schedule 1

Members of the Legislative Assembly Superannuation Fund

Schedule of Investment Transactions Year Ended March 31, 1983

(Provided in accordance with the provisions of Section 42 of The Members of the Legislative Assembly Superannuation Act)

Investments at Cost	Balance March 31, 1982	Acquisitions	Dispositions	Balance March 31, 1983
Government of Canada	$ 49,500	$ —	$ 49,500	$ —
Provincial and Provincially Guaranteed				
Ontario Hydro	34,606	—	34,606	—
Quebec	4,975	—	—	4,975
Saskatchewan	1,659,110	394,500	98,625	1,954,985
	1,698,691	394,500	133,231	1,959,960
Urban Municipalities — Saskatchewan Towns	1,000	—	1,000	—
Union Hospitals — Saskatchewan	30,440	—	—	30,440
	31,440	—	1,000	30,440
Convertible Debentures	181,000	—	—	181,000
Total Long Term Investment	1,960,631	394,500	183,731	2,171,400
Short Term Investments	170,929	3,336,547	3,393,497	113,979
Total Investments	$ 2,131,560	$ 3,731,047	$ 3,577,228	$ 2,285,379